



DEPARTMENT OF CONSERVATION

DIVISION OF RECYCLING

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April 12, 2006

NOTICE

TO: All Certified Processors and Other Interested Parties

SUBJECT: Statewide Average Monthly Scrap Value Notice for January 2006.

California Code of Regulations (CCR), Title 14, Section 2985 (b), requires the Department of Conservation (Department), Division of Recycling (Division) to provide written notification of the monthly statewide weighted average scrap values for beverage container material types reported to the Division by participating certified processors. In order to keep all participants informed, the Division has also chosen to post this notice on the Department's website at www.conservation.ca.gov.

The statewide weighted average scrap values for each beverage container material type reported on the reverse side of this notice are the monthly scrap value purchases reported by participating certified processors. Year-to-date totals for glass are reported at the request of the glass industry. These totals for glass are provided to enable the industry to see how the value of glass develops from October 2005 through September 2006. Aluminum scrap values are derived from the American Metal Market publication.

Public Resources Code (PRC) §14575(g) gives the Division the discretion to adjust the processing payment not more than every three months if the Division has determined that the average scrap value for a specific beverage container material type is 5 percent more or less than the statewide average scrap value used as the basis for the processing payment(s) currently in effect, and that adjusting the processing payment(s) is necessary to further the objective of the beverage container recycling program.

Scrap values for glass and #2 HDPE plastic are over 5 percent more than the statewide average scrap value(s) used as a basis for the processing payments currently in effect as follows: glass increased 25 percent and #2 HDPE increased 13 percent.

As scrap values for plastic resins #3-#7 and bimetal are highly volatile and based on small volumes, processing payment adjustments will not be considered for these material types.

Based on the estimated average monthly impact per recycler by participant type as compared to the potential cost to change reporting systems and payment delays due to shipping reports submitted with incorrect processing payments, adjusting processing payments for glass and #2 HDPE is not warranted at this time.

Table 1. Below outlines the estimated average monthly impact per recycler by participant type if all processing payments authorized to be adjusted pursuant to Public Resources Code Section 14575(g) were adjusted.

Table 1.	Glass	#2 HDPE	Estimated Net Monthly Impact
CS	(\$19.02)	(\$22.49)	(\$41.51)
RC Non CZ	(\$21.45)	(\$2.82)	(\$24.27)
RC CZ	(\$9.88)	(\$3.98)	(\$13.86)
CP & SP	(\$7.40)	(\$6.64)	(\$14.04)

The Division does not expect to make any changes to processing payments based on the changes in scrap value noted above. Changes in scrap will be continually reviewed and processing payments will be considered for possible adjustments effective July 1, 2006.

These data are initial estimates and are subject to future adjustment that will be reflected in subsequent notices. If you have any questions regarding this notice, please contact **Tonya Harrison**, Division of Recycling, at (916) 323-5878 or Tonya.Harrison@conservation.ca.gov.

Chuck Seidler
Market Research Branch

Scrap Value Per Ton

	Aluminum	Glass	Bimetal	#1 PET Plastic	#2 HDPE Plastic
Oct-05	\$1,232.90	\$3.98	(\$2.99)	\$302.47	\$358.99
Nov-05	\$1,307.33	\$8.16	(\$4.64)	\$280.32	\$394.62
Dec-05	\$1,456.13	\$1.79	\$5.55	\$331.65	\$432.78
Jan-06	\$1609.68	\$3.47	\$21.30	\$305.26	\$358.37
Feb-06					
Mar-06					
Apr-06					
May-06					
Jun-06					
Jul-06					
Aug-06					
Sep-06					

Scrap Value Per Ton

	#3 V Plastic	#4 LDPE Plastic	#5 PP Plastic	#6 PS Plastic	#7 Other Plastic
Oct-05	\$0.00	\$0.00	\$0.00	(\$305.51)	(\$150.69)
Nov-05	\$228.00	\$0.00	\$0.00	(\$307.11)	(\$14.76)
Dec-05	\$0.00	\$0.00	\$0.00	(\$253.33)	(\$29.36)
Jan-06	\$0.00	\$0.00	\$0.00	(\$219.03)	(\$39.96)
Feb-06					
Mar-06					
Apr-06					
May-06					
Jun-06					
Jul-06					
Aug-06					
Sep-06					

GLASS YEAR TO DATE
 OCTOBER 2005 – SEPTEMBER 2006
 AVERAGE \$/TON: **\$4.15**
 RC + CS + SP + CP TONS: **124,879.57**